

## Message Text

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65

ACTION ARA-10

INFO OCT-01 ISO-00 PA-02 FEA-01 ERDA-07 AID-05 CEA-01

CIAE-00 CIEP-02 COME-00 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-15 SAM-01 OES-05 SP-02 SS-15 STR-04 TRSE-00

PRS-01 /107 W

----- 090400

R 202225Z FEB 76

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 2549

UNCLAS TEGUCIGALPA 0952

E.O. 11652: N/A

TAGS: ENGR, HO

SUBJECT: PETROLEUM: TEXACO RE - PRESENTS LOSS DATA ON REFINERY TO GOH

REF: 75 TEGUCIGALPA 4913

BEGIN SUMMARY.

TEXACO PRESENTED ITS CASE FOR PRICE INCREASES TO THE MINISTRY OF ECONOMY FEBRUARY 19. VICE MINISTER ROBERTO VALLADARES TOOK THE PETITION UNDER ADVISEMENT, BUT TOLD PRESS FOLLOWING MEETING THAT, WHILE SOME ADJUSTMENT MAY BE INDICATED. TEXACO'S SUGGESTED INCREASE WAS TOO HIGH. GOH TO STUDY CASE. NO ACTION REQUESTED END SUMMARY.

1. TEXACO VICE-PRESIDENTS R.C. MCACAY AND H. C. MINOR, AND REGIONAL GENERAL MANAGER PETE CRAWFORD PRESENTED TEXACO'S ARGUMENT FOR EX-REFINERY PRICE INCREASES TO THE GOH. TEXACO'S FIGURES CITE AN EXPECTED \$4.3 TO \$5.3 MILLION LOSS ON A 3.127 MILLION BARREL PER YEAR MARKET IN HONDURAS. VARIOUS FACTORS, SOME COMPLEX, FIT INTO TEXACO'S LOSS POSITION. COMPANY TACTICS CONTINUE TO BE : LOW-KEY, WITH FULL DISCLOSURE, FLEXIBLE AS TO SOLUTION AND WITHOUT UNCLASSIFIED

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THREAT OF UNILATERAL ACTION.

2. MR. CRAWFORD ADVISES EMBASSY THAT GOH IS TO AUDIT COMPANY BOOKS AND CHECK ITS PRESENTATION WITH VENEZUELAN AUTHORITIES.

3. TEXACO PRESENTATION AND DATA QUITE SIMILAR TO THAT PRESENTED IN NOVEMBER 1975 (REFTEL) ON WHICH GOH TOOK NO NOTICEABLE ACTION. IN ADDITION, GUATEMALAN EARTHQUAKE THIS MONTH REDUCED DEPTH OF TEXACO'S PIER CHANNEL IN PUERTO CORTES BY SEVERAL FEET, PROBABLY DUE TO WALLS SLUMPING INTO THE CHANNEL. THIS INCREASES LANDING COSTS BECAUSE TANKERS CANNOT COME IN FULLY LOADED. MARKET PRICE MOVEMENTS IN THE CARIBBEAN HAVE BEEN UNFAVORABLE TO THE IMPORT PARITY FORMULA USED HERE.

4. COMMENT.  
TEXACO PERSISTS IN ITS SOFT SELL APPROACH.  
SANCHEZ

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, BUSINESS LOSSES, PRICE TRENDS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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